

Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2019

Docket No. ACR2019

**NOTICE OF THE UNITED STATES POSTAL SERVICE
OF REVISIONS TO MULTIPLE ANNUAL COMPLIANCE
REPORT FOLDERS -- ERRATA**
(January 10, 2020)

The United States Postal Service hereby provides notice, in conjunction with today's Notice of Revisions to the FY2019 Annual Compliance Report, of relatively minor revisions to six folders submitted with the ACR on December 27, 2019. The background to these revisions is discussed below. Details on the changes regarding each folder can be found in the revised Preface for each revised folder. The revised folders are:

PUBLIC FOLDERS

USPS-FY19-1	FY 2019 Public Cost and Revenue Analysis (PCRA) Report (Revised 1/10/20)
USPS-FY19-43	FY 2019 Market Dominant Product Incremental Costs (Revised 1/10/20)

NONPUBLIC FOLDERS:

USPS-FY19-NP2	FY 2019 International Cost and Revenue Analysis (ICRA) Report (Revised 1/10/20)
USPS-FY19-NP9A	FY 2019 Inbound Letter Post Data by Universal Postal Union Country Group and Shape (Revised 1/10/20)

USPS-FY19-NP10	FY 2019 Competitive Product Incremental and Group Specific Costs (Revised 1/10/20)
USPS-FY19-NP11	FY 2019 Nonpublic Cost and Revenue Analysis (NPCRA) Report (Revised 1/10/20)

For the two CRA folders (USPS-FY19-1 and USPS-FY19-NP11) and USPS-FY19-NP9A, the revised folders include replacement versions for each of the files included with the original folder, and in that sense are complete replacement folders. The other three folders (USPS-FY19-43, USPS-FY19-NP2, and USPS-FY19-NP10) are only partial replacements. Each of these three revised folders contains revised versions of only the files from the original folder that have changed. Many of the numerous files in the original folder were unaffected by these changes, and those unaffected files have not been reproduced in the revised folders. The source for those unaffected files continues to be the original folders filed on December 27, 2019.

Background

The impetus for the revisions to all of these folders has been the recent recognition of the need to correct one element of the International Cost and Revenue Analysis Report (ICRA) in USPS-FY19-NP2, changing reported costs for some products and resulting in the shift of a small amount of costs from competitive to market dominant. Revisions to the other folders simply reflect the flow of corrected inputs from the ICRA into these (at least in some sense) downstream folders.¹ The effects of these revisions in the aggregate are not

¹ The revisions in USPS-FY19-NP9A, however, are distinct in that they are driven not by the primary revision in USPS-FY19-NP2 that flows through to the

particularly material, and no products are pushed in either direction across the line between compensatory and non-compensatory. At the CRA row level, none of the attributable cost changes reaches one percent, and most are well below that. Nevertheless, the changes in total competitive costs can be discerned at the level of precision reported in the ACR text. Perhaps more importantly, improving the accuracy of the reported costs at the product level will be beneficial, as those unit costs in the FY 2019 ICRA will be used for assessment of future agreements.

Ultimately, in the aggregate, the correction to the ICRA shifts approximately \$346 thousand in costs from Competitive International products to Market Dominant International products. These shifts in ICRA outputs then have an impact on the CRAs provided in USPS-FY19-1 and USPS-FY19-NP11, the incremental costs reported in USPS-FY19-43 and USPS-FY19-NP10, and in the text of the ACR itself.

As noted above, details regarding the revisions to each folder can be found in the revised Prefaces provided. As one might expect, the discussion of the revisions in the ICRA folder is more extensive than those noting the revisions in the other folders, in which the ICRA changes are simply flowing through into output reports. A separate Notice is also provided today regarding the

other folders, but rather are driven by an even more minor unrelated change in USPS-FY19-NP2 that only affects certain reported piece volume, with no effect on cost or revenue. These revisions are made simultaneously only for administrative convenience.

corresponding revisions to the ACR text.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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